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IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1964.

No. 898

JOHN ALAN APPLEMAN and
JEAN G. APPLEMAN,
Petitioners,

v.

UNITED STATES OF AMERICA,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE COURT OF APPEALS OF THE SEVENTH CIRCUIT.

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INDEX.

	Page
Report of Case	1
Basis of Jurisdiction	2
Questions Presented for Review	2
Statutory Questions	3
Statement of the Case	3
Argument	6
I. The court erred in requiring a loss which is sudden and unusual to be unexpected and in requiring a loss to be unforeseeable before it can be unexpected, thus eliminating all losses reaching epidemic proportions	7
A. A loss to be covered as a casualty loss need not always be unexpected, since the tests for a casualty loss are in the disjunctive	7
B. A loss, to be unexpected, need not be totally unforeseeable since all losses can be anticipated by anyone with a little imagination	8
C. Despite the fact that once a disaster strikes an area, losses can be anticipated, losses which previously were casualty losses continue to be such	10
D. The court erred in holding that as a matter of law, a sudden loss caused by a disease carried by insects is never a casualty loss	12
E. The fact that these losses could not be prevented or guarded against indicates that they are casualty losses	14
II. The jury's determination that the loss was sudden should not be overturned since it was not incorrect as a matter of law	15

III. In conclusion, the court's definition would prevent any loss normally conceived of as a casualty loss from being included by the statute ... 18

Conclusion 20

Authorities Cited.

Decisions:

Buist v. United States, D. C., S. C., 164 F. Supp. 218 15
Burns v. United States, D. C. Ohio, 174 F. Supp. 203, affirmed per curiam, 284 F. 2d 436 12
Buttram v. Jones, D. C. Okl., 87 F. Supp. 322 ....10, 13, 17

Cate, Jr., Henry F., 21 T. C. M. 1146 15
Clark, Horace S., 39 B. T. A. 329 17

Davis, Burrell E., 34 T. C. 586 .....9, 11

Ferguson v. Commissioner, C. A. 10, 59 F. 2d 893 ... 17
Ferris v. United States, 9 A. F. T. R. 2d 1414 17

Grant, Harry Johnston, 30 B. T. A. 1028, Acq. XIII-2 C. B. 8 .....10, 17
Gutwirth, Charles, 40 T. C. 666 11

Helvering v. Owens, 305 U. S. 458 10
Hesler, Delbert P., 13 T. C. M. 972 17

Kilroe, E. G., 32 T. C. 1304 .....2, 15
Knapp, Bessie, 23 T. C. 716 13

Levy v. Commissioner, C. A. 5, 212 F. 2d 552 6

Marshall, Logan W., v. Commissioner, Memo. Op. February 14, 1941, Doc. 99424 13
Matheson v. Commissioner, C. A. 2, 54 F. 2d 537 ....2, 6, 7
Montgomery, Robert H., 1947 T. C. Memo. (P-H) 66 .. 13

Nourse v. Birmingham, D. C. Iowa, 73 F. Supp. 70 ...11, 13

Oregon Mesabi Corporation, 39 B. T. A. 1033 11

People v. Hanisch, 361 Ill. 465, 198 N. E. 220 17

Rosenberg v. Commissioner, C. A. 8, 198 F. 2d 46 ...2, 6, 15
Shopmaker v. United States, D. C. Mo., 119 F. Supp. 705 15
Stowers v. United States, D. C. Miss., 169 F. Supp. 246 14
United States v. Barret, C. A. 5, 202 F. 2d 804 .....10, 13
United States v. Rogers, C. A. 9, 120 F. 2d 244 14
Winsor, Alan M., 18 T. C. M. 383, affirmed Winsor v. Commissioner, C. A. 1, 278 F. 2d 634 15
Winters, Jr., v. United States, 1 A. F. T. R. 2d 644 ...13, 17

Miscellaneous:

Black, Law Dictionary (4th Ed., 1951) 7
Chicago Daily News, Jan. 2, 1965, p. 2, col. 3 9
Internal Revenue Code of 1954, § 165 (a), (c) 3
Letter to T. Coleman Andrews dated February 2, 1954, to Hon. Thomas C. Hennings, Jr. 17
Rev. Rul. 54-85, C. B. 1954-1, 58 17
Rev. Rul. 58-180, C. B. 1958-1, 153 17
Rev. Rul. 59-277, C. B. 1959-2, 73 15
Rev. Rul. 59-344 9

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To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

Petitioner prays that a writ of certiorari issue to review the judgment of the Court of Appeals of the Seventh Circuit, reported in 338 F. 2d 729. References to (App. ...) are to the Appendix B filed by respondent in the Court of Appeals of which ten copies have been filed in this Court.

BASIS OF JURISDICTION.

The judgment of the Court of Appeals was entered November 19, 1964. Stay of mandate was entered December 1, 1964. The opinion of the Court of Appeals appears in the Appendix to this petition.

Jurisdiction is invoked under Title 28, United States Code, § 1254 (1).

QUESTIONS PRESENTED FOR REVIEW.

1. Is the rule of Matheson v. Commissioner, C. A. 2, 54 F. 2d 537, that a casualty loss be unusual, sudden *or* unexpected erroneous in that those characteristics must all be present before any loss can be a casualty? In other words, is a loss caused by the bite of an insect prevented from being a casualty loss, where it is sudden, if it is foreseeable although unusual?

2. Following this, does the fact that the mechanism of loss, such as an insect infestation, reaches epidemic proportions within a given geographical area, in any way change the ordinary rules of law which apply in determining whether or not a casualty loss has occurred, and is such a loss excluded from being a casualty loss merely because once the forces of destruction have been set into motion the loss can be anticipated?

3. Can a loss suffered within one month of an insect bite be "sudden" or are the cases of E. G. Kilroe, 32 T. C. 1304, Rosenberg v. Commissioner, C. A. 8, 198 F. 2d 46 and similar termite cases erroneous in their statements that "suddenness" is relative and that losses within time spans of one to six months can be casualty losses?

4. Is a jury wrong as a matter of law in finding that the loss of valuable trees from a virus which enters such trees

through the bite of infected leafhoppers, causing the death of such trees in thirty days from the time of the bite, constitutes a casualty loss—assuming there was no way to prevent such infestation, there was no cure for the virus, and no way to avoid the deaths of such trees—it being undisputed that economic loss resulted to the taxpayers?

STATUTORY QUESTIONS.

The pertinent statute involved is the Internal Revenue Code of 1954 with particular reference to § 165 (a) and (c):

(a) General Rule—There shall be allowed as a deduction any loss sustained during the taxable year and not compensated for by insurance or otherwise.

(c) Limitation on Losses of Individuals—In the case of an individual, the deduction under subsection (a) shall be limited to—

(1) losses incurred in a trade or business; • • •

(3) losses of property not connected with a trade or business, if such losses arise from fire, storm, shipwreck, or other casualty • • •.

STATEMENT OF THE CASE.

The facts of the case as set forth by the Court of Appeals are as follows; the bracketed materials being supplements added for clarity:

"The government prosecutes this appeal from a judgment for $1,642.68, with interest, entered against it by the District Court in an action brought [under Title 28, United States Code, § 1340] by John Alan Appleman and Jean G. Appleman [hereinafter referred to as taxpayers] to recover alleged overpayments of federal income taxes for the taxable years 1956, 1957, and 1958. The taxpayers had

taken deductions on their income tax returns for those years for depreciation in value of their property as a result of the loss of elm trees occasioned by phloem necrosis. The deductions were disallowed, the taxpayers paid the additional tax resulting from the disallowance, and their claims for refund thereof were rejected. Their action for recovery of the amounts of the additional tax paid was tried by a jury, which returned a verdict favorable to the taxpayers. The District Court denied the government's motion for judgment notwithstanding the verdict and entered judgment in accordance with the verdict. The government's appeal is predicated upon the contention that the court erred in denying its motion. [Since the government did not ask for a new trial, it concedes that the taxpayers are entitled to the deduction unless these were not casualty losses as a matter of law]. * * *

"It is not disputed by the government that the evidence warranted findings by the jury that the taxpayers sustained a depreciation in the value of their property due to the death of elm trees located thereon, in the amount as fixed by the verdict for each of the years involved. And the government does not dispute that the evidence supports the conclusion that the death of the trees, and the resulting loss was due to phloem necrosis. * * *

"The record in the instant case discloses that in 1949 or 1950 the taxpayers, husband and wife, acquired a twenty-five acre tract of land approximately four miles north and east of Urbana, Champaign County, Illinois [to be used both for a residence and for a business since the taxpayer had his law office there (App. 38)]. It had a number of elm trees growing thereon and the taxpayers planted more. Phloem necrosis first appeared in Champaign County, Illinois, in the early 1950's. It is a virus which enters the cells of the phloem of a tree, the woody connective tissue of the tree just beneath the bark. The virus is carried by an insect called a leaf hopper which

after feeding on an infected tree, sucking up the sap, moves on to a healthy tree into which it injects the virus while feeding thereon. During 1956 the taxpayers lost forty-two trees to the disease; in 1957, ten trees; and in 1958, thirty-nine more.

"There is testimony in the record from which the jury could have concluded that the bite of but one leaf hopper carrying the virus is sufficient to infect an elm tree; that the infected tree inevitably dies from the disease, usually in about a month; that there was nothing which a property owner could do to save the elm tree once it was infected. Spraying proved ineffective in preventing the disease, except under laboratory conditions. The University of Illinois (located at Champaign-Urbana), the municipalities of Urbana and Champaign, and private property owners, conducted spraying programs but lost their elm trees. Prior to 1956 the taxpayers had been spraying but discontinued when informed it would do no good. * * *"

This virus swept through those communities during the years 1956-1958 killing about ninety-eight percent of all of the elm trees, including, as noted, those of the taxpayers.

ARGUMENT.

This issue is a matter of first impression in this Court —not only as to the precise casualty called "phloem necrosis"—but as to analogous losses. The Seventh Circuit has now added to the traditional tests of a casualty, that of the conjunctive requirement of suddenness and unexpectedness thus rendering it squarely in conflict with the Second[1], Fifth[2], and Eighth[3] Circuits, and, when views so divergent represent *stare decisis* in the several Circuits, it is important that this Court resolve the conflict.

Furthermore, in the course of adding this concurrent characteristic of unexpectedness, the court has so narrowed its meaning so as to distort the law of casualty. In addition, during the past few years, the Internal Revenue Service has flopped from nonacquiescence to acquiescence to nonacquiescence in termite cases, cases which both sides originally regarded as helpful in the determination of what constituted casualty losses similar to the losses caused by phloem necrosis.

Accordingly, it will not only be helpful to the courts, but to the government and to taxpayers, for this Court to determine whether an additional requirement of concurrent characteristics should be superimposed upon the existing tests for a casualty loss. The losses involved in such cases as these are too small to allow the average taxpayer to defend himself against the flip-flopping rulings of the Internal Revenue Service. Most of the taxpayers are not lawyers who can get the legal work done "wholesale" by delegating it to their offspring. And

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[1] Matheson v. Commissioner, C. A. 2, 54 F. 2d 537 at 539.

[2] Levy v. Commissioner, C. A. 5, 212 F. 2d 552 at 555.

[3] Rosenberg v. Commissioner, C. A. 8, 198 F. 2d 46 at 49.

yet, while the amount involved in such controversies is small, the principle is great.

It is submitted that the Court of Appeals has confused taxation law and tort law—and that the Palsgraf rule of "foreseeability" has no place in this area. Indeed, as will be developed, a logical extension of the instant decision could automatically blot out ninety percent of the presently recognized and unchallenged casualties of the "ejusdem generis" type.

I.

The court erred in requiring a loss which is sudden and unusual to be unexpected and in requiring a loss to be unforeseeable before it can be unexpected, thus eliminating all losses reaching epidemic proportions.

A.

A loss to be covered as a casualty loss need not always be unexpected, since the tests for a casualty loss are in the disjunctive.

An important area of disagreement between the circuits as to practical definition of "other casualty" appears to have developed with the decision of the Seventh Circuit in Appleman v. United States. For years, the standard definition of "other casualty" has been that of Matheson v. Commissioner, C. A. 2, 54 F. 2d 537 at 539. That court interpreted the statute as placing the tests of a casualty loss in the disjunctive, sudden, unexpected *or* unusual. It therefore has not been necessary that the loss fit all three tests. And this test had become so common that *Black's Law Dictionary* (4th Ed., 1951), adopted it as part of its definition of casualty:

> "Accident; event due to sudden, unexpected or unusual cause; event not to be foreseen or guarded

against; inevitable accident; misfortune or mishap; that which comes by chance or without design. A loss from such an event or cause; as by fire, shipwreck, lightning, etc. * * *

"Chance; accident; contingency; also that which comes without design or without being foreseen. * * *"

But the court in this case was obviously requiring the presence of all three characteristics (338 F. 2d 730, 731). "Fire and shipwreck are undesigned, sudden *and* unexpected events" (emphasis added). And here the court concluding, erroneously, at (338 F. 2d 732), that the events were not unexpected, immediately held that the loss of the trees was not a casualty.

B.

A loss, to be unexpected, need not be totally unforeseeable since all losses can be anticipated by anyone with a little imagination.

As a matter of fact, the losses in this case probably do meet all three tests since they were unexpected when the property was acquired and when the trees were planted, they occurred with reasonable suddenness, and there was no way in which the losses could have been avoided by the taxpayers. But the court here appears to have been confused over the meaning of the word "unexpected". It is not necessary that the instrumentalities of damage be unique in character nor that they originate for the first time in the case under consideration. It can be anticipated that droughts will occur, floods are not uncommon; subsidence often follows mining operations or other activities which weaken the subsoil; frost and freezing are not unknown. Thus, to be unexpected, it is not necessary for a casualty to be totally "unforeseeable" (338 F. 2d 730) but only that it be unlikely to happen.

The government predicts the occurrence of major hurricanes, naming them annually in alphabetical order by deceptively feminine names. The course of such storms may be known days or even weeks in advance. Yet the knowledge that such a hurricane is moving toward him does not diminish the casualty loss of a landowner whose home it lifts from its foundations. A home may be erected in a "tornado path" where violent storms have passed with great frequency. It may be anticipated that misfortune may strike in the form of violent winds, but this anticipation does not expunge the loss which he sustains nor diminish in any way the deductibility of it when tax-time rolls around. In most casualty losses, there is some forewarning—hours, days, weeks, perhaps even years; but if the destructive force is not avoidable and the taxpayer is not reckless in protecting his property, there is a deductible casualty loss.

The mere fact that vandalism is known to occur does not prevent such damage from constituting a casualty loss, Burrell E. Davis, 34 T. C. 586. Does it matter whether the vandals are of human or insect origin? The economic loss to the taxpayer is still the same. When a plane flies at speeds greater than that of sound, it is known that a sonic boom will result which may cause damage to property. Indeed the result is so common that the Chicago Daily News in announcing a three month series of training flights which would produce sonic booms said "property damage, particularly to window panes is anticipated" (January 2, 1965, p. 2 col. 3). Yet even though this is a usual effect of a known cause, it is still deductible, Rev. Rul. 59-344. When a person drives a car, he takes his life into his own hands. The National Safety Council says that the normal driver is involved in an accident serious enough to require reporting to the authorities once every five years. And the massacre on the highways during the holiday season is constantly be-

ing mentioned. Yet despite the fact that such accidents are expected, this Court has allowed them as casualty losses, Helvering v. Owens, 305 U. S. 468.

C.

Despite the fact that once a disaster strikes an area, losses can be anticipated, losses which previously were casualty losses continue to be such.

Moreover, apparently the court felt that once a disaster struck an area, the resulting losses are not casualty losses since they can be anticipated; at least they are not casualty losses unless the original strike and the resulting kill all occurred more or less simultaneously. Yet this is contrary to prevailing tax law. In Harry Johnston Grant, 30 B. T. A. 1028, Acq. XIII-2, C. B. 8, the taxpayer's property sank over a period of four to five years. The taxpayer and his neighbors (pp. 1030, 1031), became alarmed after they discovered that there was a break in the earth. Its continuing progress caused them to hire engineers to attempt to ascertain the cause and provide a remedy. Efforts were made (pp. 1032, 1033) to drain the soil but the sinking continued. Yet despite the fact that the damage occurred over a five year period, despite the fact that the damage was anticipated during said period, despite the facts that frantic efforts were made to prevent the damage, the court at pp. 1034, 1035, held the loss to be a casualty loss. And in Buttram v. Jones, D. C. Okla., 87 F. Supp. 322 at 324, it was held that trees destroyed by a drought lasting over the major part of a year were casualty losses. Surely, once the drought began the taxpayer could have anticipated the disastrous results; perhaps there was even town meetings to discuss the problem. In United States v. Barret, C. A. 5, 202 F. 2d 804 at 805, 806, there was a severe freeze occurring over a two month period. The trees did not die immediately from this long freeze.

Instead the owner attempted for two years to save them before he finally had them removed. Yet despite the fact that he certainly must have anticipated their loss with sorrow, this loss was still held to be a casualty loss. Moreover, in Oregon Mesabi Corporation, 39 B. T. A. 1033 at 1036-1038, appeal dismissed 109 F. 2d 1024, fire damaged the taxpayer's trees in 1933. However they retained their value as timber if they could be sold quickly. Some were, but, due to the depressed market, many were left standing. These were attacked by insects as expected and slowly destroyed. This the court held was a casualty loss, to be deducted not when the fire occurred but when the trees actually became worthless. A similar case is Nourse v. Birmingham, D. C. Iowa, 73 F. Supp. 70 at 70, 71. A sudden blizzard occurred on November 11, 1940, following an unseasonably warm fall. Many of the taxpayer's trees forming a windbreak were killed. But no injury was apparent until the trees failed to bloom in the spring of 1941. The court held that the casualty loss occurred not at the time of the blizzard but in 1941. Surely once the blizzard had struck, the loss was expected.

Perhaps the clearest case to indicate that the fact a loss can be anticipated once the destructive forces are set in play does not prevent that loss from being "unexpected" is Charles Gutwirth, 40 T. C. 666 at 673-675, 679, 680. Lipschutz and his wife had a beautiful home in Antwerp, Belgium. They fled to the United States before the Second World War and the house was occupied by the Germans. Later the British soldiers took over its occupation. Lipschutz regained legal possession of the house in January 1946 when he started proceedings to collect rent; these he later won. When the house was examined in June, 1946 after the departure of the British, it was found to have been badly damaged by theft and vandalism. Citing Burrel E. Davis, 34 T. C. 586, a case involving vandalism, the court held that this was a casualty loss. Yet certainly it would

be expected once war broke out, soldiers occupied homes, and police order broke down, that such vandalism would occur.

D.

The court erred in holding that as a matter of law, a sudden loss caused by disease carried by insects is never a casualty loss.

The court in this case stated at (338 F. 2d 731) that the most analagous decision was that of Burns v. United States, D. C. Ohio, 174 F. Supp. 203, affirmed per curiam, 284 F. 2d 436, a case involving Dutch elm fungus. Even assuming for a moment that the Burns decision was correct, it is difficult to see the similarity between the two factual situations. The Dutch elm disorder is a fungus, not a quickly disseminating virus; the Dutch elm fungus is not necessarily fatal, phloem necrosis is. Moreover Dutch elm disease is quickly recognizable, and the landowner can cut out the infected area and save the tree, whereas, since the whole tree is immediately infected by the one fatal bite, phloem necrosis cannot be arrested by amputations. Furthermore, spraying is one hundred percent effective against the Dutch elm fungus (Abst. 82) whereas no spraying program can arrest phloem necrosis. Added to this is the fact that unlike the Dutch elm fungus, phloem necrosis needs only a month in which to kill a tree.

It is possible that in considering whether the loss was unexpected, the Court of Appeals in this case and the court in the Burns case both were confused by the government's emphasizing the term disease. In a footnote, on page 731, this court quoted the Burns case as saying: "loss occasioned by disease, however contracted, is not a casualty within the meaning of the statute." This statement is erroneous. Even the death of animals from

disease has been held a casualty or business loss; the death of sheep from disease was held deductible more than twenty years ago, Logan W. Marshall v. Commissioner, Memo. Op. February 14, 1941, Doc. 99424. Nor is it logical that death by disease should be automatically excluded as a casualty loss. Disease to some degree may be an ordinary part of life, but sweeping losses due to epidemics are no more expected than are losses due to hurricanes, tornadoes, floods and automobile accidents.

Moreover, what is disease? A medical dictionary defines it as "a morbid change in any of the tissues or an abnormal state of the body as a whole." If lightning splits a tree, the tree dies because of a morbid change in tissue, induced in part by the direct traumatic effect of the lightning and in part by the inability of the cells to perform their usual functions. The lightning however remains the cause of the casualty. Similarly, a tree which is killed by a severe and sudden frost dies from disease; so does a tree dying from drouth since in both instances again the tree dies because of a morbid change in tissue. Yet these are casualty losses. Buttram v. Jones, D. C. Okl., 87 F. Supp. 322 at 324 (drought); Winters, Jr. v. United States, 1 A. F. T. R. 2d 644 (drought); Bessie Knapp, 23 T. C. 716 at 718 (freeze); Robert H. Montgomery, 1947 T. C. Memo. (P-H) 66 at 68; United States v. Barret, C. A. 5, 202 F. 2d 804 at 805, 806 (freeze); Nourse v. Birmingham, D. C. Iowa, 73 F. Supp. 70 at 70, 71 (sudden blizzard).

The loss here was not foreseen. Indeed when in 1952 one of the experts, Mr. Bennett, was doing his college work at the University of Illinois, a very center of study of plant pathology, only four years before this general infestation began, phloem necrosis was unknown. Certainly then when the land was purchased in 1950, when the trees were planted and cultivated, these losses were indeed unexpected. One expects trees to grow and live

a natural span of years, not to die in their prime. It is true that one might expect one or two trees to die of disease early in their life span but then a few will live much longer than expected to maintain the average. So it is indeed unexpected and unusual for all of one's elm trees to be swept away at one time, killed by the bite of an insect.

E.

The fact that these losses could not be prevented or guarded against indicates that they are casualty losses.

The taxpayer had stated in his brief when discussing the meaning of the terms unusual or unexpected that "if a definite economic loss occurs to the individual as a result of forces beyond his control, and not due to his own fault, the casualty which was contemplated by Congress would seem to occur." The Court of Appeals criticized this statement at 338 F. 2d 731, 732. Yet United States v. Rogers, C. A. 9, 120 F. 2d 244, 246, when quoting the dictionary definitions of casualty had given among those definitions: "Inevitable accident. Unforeseen circumstances, not to be guarded against by human agency and in which man takes no part." And these definitions in Rogers have been quoted by other cases including that of Stowers v. United States, D. C. Miss., 169 F. Supp. 246 at 248. In the latter case, the taxpayers built a home on the bluff overlooking the Mississippi River. It was widely known that the loess soil composing these bluffs made an excellent foundation unless it became too saturated. The town failed to provide for adequate drainage and, after such saturation had occurred, a huge part of the bluff sloughed off. Apparently, no sudden and violent rain was responsible for this. The resulting loss in value to the taxpayer's home was held to be a casualty loss.

II.

The jury's determination that the loss was sudden should not be overturned since it was not incorrect as a matter of law.

There was much discussion in the briefs for the appellate court but little in the court's opinion as to whether the loss was sudden. Since the government never requested a new trial, the evidence must be taken in the light most favorable to the taxpayers. And the evidence which went to the jury was capable of showing, as the appellate court acknowledged, that the loss occurred within one month of the fatal bite. Thus the question is whether the death of a tree within one month of such a bite is sufficiently sudden to constitute a casualty.

While it is true that the term "suddenness" is comparative and gives rise to an issue of fact, E. G. Kilroe, 32 T. C. 1304 at 1306; Rosenberg v. Commissioner, C. A. 8, 198 F. 2d 46 at 50, periods of much greater length than one month have been held to be "sudden". In termite cases, for example, losses have occurred through a period of one month to one and one-half years. Rosenberg v. Commissioner, C. A. 8, 198 F. 2d 46 at 47, 50, 51 (about six months); Shopmaker v. United States, D. C. Mo., 119 F. Supp. 705 at 706 (about six months); Buist v. United States, D. C. S. C. 164 F. Supp. 218 at 220 (six to eight months); E. G. Kilroe, 32 T. C. 1304 at 1309 (about three months); Henry F. Cate, Jr., 21 T. C. M. 1146 at 1147, 1148 (six months); and Alan M. Winsor, 18 T. C. M. 383 at 384-386 affirmed Winsor v. Commissioner, C. A. 1, 278 F. 2d 634 (one and one-half years). Indeed the government acquiesced in the Buist case, saying in part; Rev. Rul. 59-277, C. B. 1959-2, 73:

> "In *George L. Buist et ux. v. United States,* 164 Fed. Supp. 218, the United States District Court for the Eastern District of South Carolina held that dam-

ages to a house caused by an infestation of termites sometime between September of one year and June of the succeeding year constituted a deductible casualty loss under Section 165 of the Internal Revenue Code of 1954. Following the decisions of ***Martin A. Rosenberg v. Commissioner,*** 198 Fed. (2d) 46, and ***Joseph Shopmaker et al. v. United States,*** the District Court found that the requisite degree of 'suddenness', a cardinal element in these decisions, had been established. It distinguished, however, the cases of ***United States v. Betty Rogers et al.,*** 120 Fed. (2d) 244; ***Charles J. Fay et al. v. Helvering,*** 120 Fed. (2d) 253; and ***Leslie C. Dodge et ux. v. Commissioner,*** 25 T. C. 1022. In the latter cases the termite infestation and subsequent damage occurred over periods of several years. The Internal Revenue Service will follow the rule of the ***Buist, Rosenberg,*** and ***Shopmaker*** decisions only in those cases where the facts are substantially the same."

But after the jury had returned its verdict for the taxpayers, and Judge Casper Platt had denied the government's motion for judgment notwithstanding the verdict, the Internal Revenue Service suddenly withdrew that acquiescence, filing a non-acquiescence which it then cited in its appellate brief as authority for a reversal. This of course seems unjust. Cases on appeal are supposed to be handled upon the same facts and law which were presented to the trial court. This is no sporting contest in which one of the parties has the right to change the "rules of the game" at its whim - - - in this instance, between the time of the trial and the determination of this appeal. Even the government should be required to act with reasonable consistency, and the utilization of its own "post-decision" action to influence a Court does not seem consistent with the standards one is entitled to expect of his government.

The reasoning followed by the majority rule, and heretofore by the government, in termite cases is confirmed in many other situations. For example, drought damage does not occur instantaneously. It may take a period of weeks or even of months to cause the death of trees, shrubs, or other damage to them, but drought damage does constitute a casualty loss. Rev. Rul. 54-85, C. B. 1954-1, 58; Rev. Rul. 58-180, C. B. 1958-1, 153; letter to T. Coleman Andrews dated February 2, 1954 to Hon. Thomas C. Hennings, Jr.; Winters, Jr. v. United States, 1 A. F. T. R. (2d) 644; Buttram v. Jones, D. C. Okl., 87 F. Supp. 322 at 324. Land has subsided, walls collapsed, and buildings fallen down as a result of action which has persisted over a long period of time, and such have been held to be casualty losses; Horace S. Clark, 39 B. T. A. 329 at 329, 330 (subsidence from mining operations); Harry Johnston Grant, 30 B. T. A. 1028 at 1029, 1030, 1034, 1035 acq. XIII-2 C. B. 8 (gradual subsidence of land near taxpayer); Delbert P. Hesler, 13 T. C. M. 972 (excessive six weeks' rainfall causing sinking of earth and cracking of walls and ceilings); Ferris v. United States, 9 A. F. T. R. 2d 1414 (wall collapsing from subsoil hydraulic action after 18 days of heavy rain). And upon flood damage generally, see Ferguson v. Commissioner, C. A. 10, 59 F. 2d 893.

Since, therefore, it is not contrary to law that a loss occurring within the period of one month be a casualty loss, it was proper for the jury both to determine the length of time involved in the loss and whether this length of time was sufficiently sudden to constitute a casualty loss. When such has been done, its determination should not lightly be discarded. As stated by the late Mr. Justice Norman Jones in People v. Hanisch, 361 Ill. 465 at 468, 198 N. E. 220:

> "The jury, as a fact-finding body, is of such importance that an abridgement of its functions in this regard and an appropriation of time by the judges

would mean the forsaking of a valued tradition in our system of jurisprudence. The utmost caution should be exercised not only by the trial courts but by the reviewing courts to uphold the sanctity of the trial by jury."

III.

In conclusion, the court's definition would prevent any loss normally conceived of as casualty loss from being included under the statute.

If the word "unexpected" is allowed to retain the definition given to it by the Court of Appeals in this case, then what can be "other casualty"? Droughts, history tells us, occur; indeed we even know in what parts of the country they can be anticipated or cannot be anticipated. As to floods, folks in Shawneetown, Cairo, or Natchez-under-the-Hill, and all other cities along the Mississippi River, could not say they expected to pass their life without suffering damage from at least one flood. Since statisticians have stated that a normal driver of an automobile will be involved in an accident every five years, it would appear under this ruling that this Court was mistaken in holding that an automobile accident can be an "other casualty". And with the advent of the jet plane, damage from sonic booms can be expected. We must therefore conclude that the government was mistaken in acknowledging that such is a casualty loss.

It is fortunate that all storms, including hurricanes and tornadoes, are specifically mentioned in the statute, else they could not be covered under such a definition. A hurricane is not only predicted by the Weather Bureau; it is known days in advance where it will hit and the approximate amount of damage it will cause. Such damage cannot be said to be unexpected. Similarly, the residents of California had been warned that destruction of their

property by forest fire was likely, days before the outbreak of those terrible fires of the summer of 1964. Those who had houses in the area must have anticipated their loss even if they hoped for a miraculous deliverance. But these are all casualty losses. It has been stated by all the cases that the meaning of the term "other casualty" is discovered by applying *ejusdem generis* looking at the nature of "fire, storm and shipwreck." It would then appear strange if, because of the definition now applied to "other casualty", losses due to fire or storm could not be casualties save for the fact that they are specifically enumerated in the statute.

Moreover, according to this case, the citizens of Anchorage, Alaska, from this point forward, will have no casualty deduction should there be a repetition of those terrible earthquakes of 1964; they would be foreseeable. The same would be true in California, especially in the southern part, which is legendary for its earthquakes. Similarly, memories of prior landslides in Los Angeles would prevent any future ones from being casualty losses. Yet while it is not wholly unexpected, it is most inconvenient for one's house to slide into a neighbor's backyard. In Hawaii, there is always a fear, because of past experiences, that a volcano will erupt sending lava to destroy neighboring villages. This could be expected, therefore it would not be a casualty loss. Similarly, every child has heard of the "seventeen-year locust," and the terrible damage brought by its visitations. Yet, under this case, the destruction caused by these swarms could not be deducted as a casualty loss since their flights can be predicted by scientists. And early in December of 1964, New York had a terrible storm. Power lines were down all over. The governor issued a warning that everyone should stay indoors, the danger of electrocution being so great. Then, it could be expected that some animals wandering in a pasture would be electrocuted. So if this

definition of casualty is correct, we must assume that their deaths would not be casualty losses.

Indeed we might ask under the court's definition, what is unexpected, what is unforeseeable? If it is true that there "is nothing new under the sun", anyone with a knowledge of past events can foresee the possibility of any disaster occurring to him. He will not anticipate that it will be but he can foresee that possibility. With this decision as a part of our *stare decisis*, nothing which has ever occurred before can be a future casualty under the "other casualty" clause. We do not feel that this was the intent of Congress in passing this section. Therefore, we ask this Court to accept this controversy to clarify the meaning and nature of an "other casualty".

CONCLUSION.

It is, therefore, respectfully submitted that a writ of certiorari issue to review the judgment and orders of the Court of Appeals of the Seventh Circuit. heretofore entered in this cause.

Respectfully submitted,

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Proof of Service.

I, John Alan Appleman, one of the attorneys for John Alan Appleman and Jean G. Appleman, petitioners herein, and a member of the Bar of the Supreme Court of the United States, hereby certify that, on the ..... day of February, 1965, I served copies of the foregoing Petition for Writ of Certiorari to the Court of Appeals for the Seventh Circuit on the United States by mailing copies in duly addressed envelopes, with air mail postage prepaid, to the Solicitor General, Department of Justice, Washington, D. C., 20530 and to J. Edward Shillingburg, Esq., Department of Justice, Washington, D. C. 20530.

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